

Message Text

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ACTION OPIC-06

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DEPARTMENT PASS OPIC FOR BRIAN DUFFY

E.O. 11652: N/A
TAGS: BTIO, OPIC, JO
SUBJECT: PROSPECTIVE JORDANIAN GLASS INDUSTRY

REF: A) GEORGE TO DUFFY LETTER, 3/28/78, B) AMMAN 3484

1. GOJ DECISION ON WHETHER PROPOSED GLASS CONTAINER FACTORY AND PROPOSED SHEET GLASS FACTORY SHOULD BE COMBINED COMPANY OR SEPARATE COMPANIES, PERHAPS SHARING SOME FACILITIES, DOES NOT APPEAR TO BE FINAL. AT PRESENT JORDAN GLASS INDUSTRIES COMPANY, LTD. (GENERAL MANAGER, DR. YOUSEF ZEHNI) HOLDS COMPREHENSIVE GOJ INDUSTRIAL LICENSE FOR GLASS PRODUCTION. COMMERCIAL FEASIBILITY OF SHEET GLASS PRODUCTION IS QUESTIONED BY SOME, AND APPEARS TO OTHERS TO BE LESS ASSURED THAN THAT OF GLASS CONTAINERS. ON THIS BASIS, AS DUFFY AWARE, JORDAN PENSION FUND (GENERAL MANAGER, BASIL JARDANEH) HAS SOUGHT TO ESTABLISH SEPARATE COMPANY FOR GLASS CONTAINER MANUFACTURE. WITHIN PAST FEW DAYS, EMBASSY HAS RECEIVED SEPARATE REQUESTS FOR ASSISTANCE FROM BOTH JORDAN GLASS INDUSTRIES COMPANY (JGIC) AND PENSION FUND REGARDING AMERICAN FIRMS WHICH HAVE EXPRESSED INTEREST IN PARTICIPATING IN ONE OR BOTH GLASS MANUFACTURING PROJECTS -- LEONE GLASS,
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INC. (REFTTEL) IN CASE OF JGIC AND CORNING INTERNATIONAL CORPORATION IN CASE OF PENSION FUND.

2. ON MAY 7, JGIC WILL MEET IN AMMAN WITH REPRESENTATIVES OF AMERICAN EXPRESS BANKING CORPORATION (WHICH HAS EXPRESSED INTEREST IN FINANCIAL PARTICIPATION IN JORDAN GLASS INDUSTRIES COMPANY), ARAB INVESTMENT

COMPANY (WHICH HOLDS 20 PCT. OF EQUITY OF JORDAN GLASS INDUSTRIES) AND LEONE GLASS, INC. (INTRODUCED BY AMERICAN EXPRESS). JORDAN GLASS HAS BEEN ADVISED THAT LEONE HAS PROCESS BY WHICH BOTH GLASS CONTAINERS AND GLASS SHEET CAN BE PRODUCED FROM OUTPUT OF SINGLE FURNACE. JGIC'S TECHNICAL CONSULTANT B.S.A. OF FRANCE, DOES NOT BELIEVE SUCH PROCESS FEASIBLE (REFTEL). IF ZIT IS, HOWEVER, THEN SINGLE ENTERPRISE PRODUCING BOTH SHEET GLASS AND CONTAINERS, OF COURSE, BECOMES MORE ATTRACTIVE.

3. PENSION FUND HAS RECENTLY EXCHANGED TELEX MESSAGES WITH CORNING INTERNATIONAL CONCERNING CORNING'S PREVIOUSLY EXPRESSED INTEREST IN GLASS CONTAINER PRODUCTION IN JORDAM. (CORNING HAS NOT BEEN INTERESTED IN PRODUCTION OF SHEET GLASS.) IN RESPONSE TO PENSION FUND INQUIRY IF CORNING WOULD BE INTERESTED IN PROVIDING TECHNICAL ASSISTANCE TO BOTH SHEET GLASS AND CONTAINER PROJECTS AS SINGLE ENTITY DURING ENGINEERING, CONSTRUCTION AND PRODUCTION TO ES, FUND WAS ADVISED THAT SHEET GLASS TECHNOLOGY IS OUTSIDE CORNING "SPHERE OF OPERATIONS", BUT THAT CORNING STILL HAS "GREAT INTEREST IN CONTAINER AND MISCELLANEOUS GLASS FIELDS."

4. FYI ONLY -- SITUATION REGARDING GLASS PRODUCTION LIMITED OFFICIAL USE

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POSSIBILITIES IN JORDAN CONFUSED, NOT TO SAY SOMEWHAT BIZARRE. ISSUE FURTHER COMPLICATED BY CONFLICTING ASSESSMENTS OF VIABILITY OF THE TWO GLASS PRODUCTION PROJECTS BE ZEHNI AND JARDANEH. FOR EXAMPLE, AT INVITATION OF JARDANEH, IFC REPRESENTATIVES, WHO PREVIOUSLY EXPRESSED INTEREST IN CONTRIBUTING TO FINANCING FOR CONTAINER PROJECT BUT WERE NOT INTERESTED IN PARTICIPATING IN SHEET GLASS PROJECT, WILL RETURN TO JORDAN FOR FURTHER DISCUSSIONS AND EVALUATION. THEIR RETURN, HOWEVER, IS EXPECTED BY ZEHNI TO TAKE PLACE AFTER MAY 7 MEETING, AT WHICH TIME HE HOPES TO HAVE ESTABLISHED FEASIBILITY OF JOINT PROJECT. END FYI.

5. WHILE WE DEFINITELY DO NOT WANT TO BECOME INVOLVED IN PENSION FUND/JGIC EMBROGLIO, WE WOULD LIKE TO FACILITATE LEGITIMATE INTERESTS OF BOTH AS WELL AS INTERESTED AMERICAN COMPANIES, AS DIFFICULT AS THAT MAY TURN OUT TO BE. ULTIMATE DECISION ON COMBINING OR SEPARATING SHEET GLASS AND CONTAINER PROJECTS WILL EVENTUALLY HAVE TO BE MADE BY GOJ. IN MEANTIME REQUEST THAT DUFFY A) MAKE LEONE AND POSSIBLY AMERICAN EXPRESS BANKING CORP. AWARE OF OPIC PROGRAMS AVAILABLE

FOR JORDAN AND, B) CONTACT CORNING'S G.R. YEAKEY
(GEORGE LETTER TO DUFFY) FOR CLARIFICATION OF CORNING'S
INTEREST, I.E. IS IT CASE THAT CORNING NOT
INTERESTED IN PARTICIPATION IN JOINT PROJECT? WE HAVE
NO OBJECTION TO MENTIONING TO ANY PARTY CONCERNED
THAT THERE REMAINS QUESTION OF WHETHER THE TWO PRO-
JECTS WILL BE COMBINED OR PURSUED SEPARATELY, BUT
DETAILS CONCERNING THIS QUESTION SHOULDNOT RPT NOT
BE DISCUSSED.
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